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COCOA BEANS
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WORLD COCOA BEAN PRODUCTION AND TRADE

LOWER IN 1957-58

SUMMARY

Excessive rains in the large cacao-producing areas of Africa have reduced 1957-58 production considerably. The world crop is now estimated at 1.8 billion pounds, compared with 2.0 billion pounds in 1956-57. In Ghana, Nigeria, and the Ivory Coast, rains prior to the marketing season continued well into the season and delayed harvesting, fermenting, and marketing. Black pod damage was then prevalent, and damaged a well-fruited crop.

World trade in cocoa beans for the 1957-58 marketing year is expected to be considerably below that for 1956-57. Trade in cocoa bean products, however, will probably continue to increase. World stocks at the end of 1957-58 may be somewhat less than they were at the beginning of the marketing year.

PRODUCTION

North America

North American production of cacao in 1957-58 should be close to 1956-57 production. The crop is now estimated at 172.7 million pounds, compared with 173.5 million for the previous crop year.

Costa Rica's cacao crop is expected to be about the same as last year. Spray programs could help here, but bad weather is reported to have affected the crop being harvested from March to May.

Cuba's minor-crop harvest (which accounts for 25 to 30 percent of Cuba's total production) was completed in November and was up to expectations. The main crop is reportedly a month late this year, and although it is said to be progressing nicely, harvesting is not expected to begin until April.

Cacao production in the Dominican Republic is now estimated at 75 million pounds, just slightly below the 1956-57 crop. While the winter crop was down some from the previous year, the prospects for the summer crop are better than earlier. Grenada and Haiti are expected to continue to recover from the disastrous hurricane of 1955.

Jamaica's Farm Development Scheme which was started in 1955 is being continued, and planting-material costs will be met through a special Cocoa Expansion Scheme. Jamaica may be producing 100 million pounds of cocoa in another 10 years, according to some sources.

Mexico's winter crop was damaged considerably by excessive rains. The spring crop is expected to be good, however, as there is ample soil moisture. Recent experiments with cacao in the Papaloapan region of Vera Cruz indicate that the crop may be grown there. Trinidad's 1957-58 crop should be somewhat higher than the 1956-57 crop that was damaged by thrips and disease.

South America

South American cacao production is now estimated at 527 million pounds for the 1957-58 marketing year. The size of the crop will depend primarily on Brazil's Temporao crop which begins in May.

Brazil's October-September 1957-58 crop should reach 380 million pounds (assuming favorable weather). If there is no drought or cold weather through March, a good-sized Temporao crop can be expected.

The first commercial crop of cacao out of the state of Sao Paulo -- about 16,000 pounds -- was reported this year. It is also reported that the Sao Paulo State Agricultural Secretariat produced 150,000 cocoa seedlings for distribution during 1957 in accordance with the cacao-development plan for this area. The regional experiment station near Ubatuba has been experimenting with cacao for several years. Combined production of the Amazon valley and the state of Espirito Santo is usually about 14 million pounds annually.

Colombia's cacao production for 1957-58 is now expected to be less than earlier prospects, due to drought, diseases, and pests. There are approximately 86,000 acres in cacao. In December, the Colombian press carried reports of almost 100,000 acres of wild cacao abandoned in the Amazon area. The wild cacao was reportedly growing in an inaccessible location, and it is doubtful whether much of the cacao could be harvested and marketed economically.

Production of cacao in Ecuador and Venezuela should be about the same this year as last year. Ecuador's production has trended upward in the past few years and could increase considerably in the Santo Domingo area.

Africa

African production for the 1957-58 marketing year is now expected to be 1,067 million pounds, which would be 18.5 percent below the 1,310-million-pound crop of 1956-57. Rains which started prior to the marketing season in the large producing areas of Ghana, Nigeria, and the Ivory Coast continued well into the harvesting season and caused considerable black pod damage.

Angola's annual cacao crop has been about 800,000 pounds, of which about one-fourth is domestically consumed. Although more areas are probably adaptable for cacao production, the government has tended to encourage alternate crops.

Belgian Congo cacao acreage increased from about 21,000 acres in 1947 to about 59,000 acres in 1956. Over one-third of this is in young trees that are not yet bearing. Ruanda-Urundi has very little cacao because of the high elevation. About 60 percent of the plantings are in Equateur Province, with most of the remainder in the Bas-Congo region of Leopoldville Province. African-owned plantations in the Belgian Congo amounted to only about 2,500 acres in 1956, but are expected to increase.

Cacao in the French Cameroons is grown almost entirely by Africans. The area in cacao has been increasing steadily and in 1956 amounted to almost 500,000 acres. The principal cacao regions are Yaounde, Mbalmayo, Ebolowa, Sangmelima and Mbanga. The main harvesting season starts in October and lasts 4 to 5 months. Excessive rains have caused some pod rot this year, but 20 million pounds are expected to be processed.

The 1957-58 cacao crops of Ghana, Nigeria, and the Ivory Coast were severely reduced because of black pod damage brought on by excessive rains which delayed harvesting, fermenting, and marketing. Apparently there was good fruiting in these large producing countries this year, and a bumper crop like that of 1956-57 had been indicated earlier. Ghana had its biggest cacao crop in 1936-37. Swollen shoot disease began to reduce the size of the crops. Reports indicate that swollen shoot may be under control now and that postwar plantings may increase future production. There has been more spraying for capsid control, and yields are estimated to have increased 5 to 6 times in areas where capsid control has been effective.

COCOA BEANS: Production in principal producing countries, averages
1935/36-1939/40, 1945/46-1949/50, annual 1955-56, 1956-57, 1957-58 1/

Continent and country	Average 1935/36- 1939/40 <u>2/</u>	Average 1945/46- 1949/50	1955-56	1956-57	1957-58
North America:					
Costa Rica	14,356	11,326	3/ 22,400	3/ 19,700	3/ 20,000
Cuba	7,000	6,259	4,400	5,600	6,200
Dominican Republic	54,049	62,164	60,000	78,700	75,000
Grenada	8,536	5,703	1,500	4,000	5,000
Haiti	3,349	3,790	2,800	3,500	4,000
Jamaica	4,750	4,274	6,500	6,500	7,000
Mexico	2,500	13,318	26,500	31,000	28,000
Panama	10,418	5,931	3,500	3,500	4,500
Trinidad and Tobago	31,635	12,124	21,500	17,000	19,000
Other North America <u>4/</u>	4,059	3,032	3,000	4,000	4,000
Total North America ..	140,652	127,921	152,100	173,500	172,700
South America:					
Bolivia	5/	5/	6,500	6,500	6,500
Brazil	263,980	283,870	348,100	381,000	380,000
Colombia	25,000	25,465	27,560	30,000	31,000
Ecuador	42,373	40,045	60,000	64,500	66,000
Peru	5/	5/	3,300	3,400	3,500
Venezuela	36,934	37,952	37,500	39,600	40,000
Total South America ..	368,287	387,332	482,960	525,000	527,000
Africa:					
Belgian Congo	2,809	3,220	8,000	10,000	11,000
Fernando Po and Rio Muni ..	25,000	34,208	48,500	49,600	50,500
French Cameroons	58,350	6/ 90,832	123,500	132,000	135,000
French Equatorial Africa ..	1,871	7/	7,500	7,000	7,000
French Togoland	8/	8/	12,600	14,000	12,000
Ghana <u>2/</u>	609,363	512,350	530,700	589,850	485,000
French West Africa <u>10/</u>	109,937	94,424	158,730	170,000	115,000
Liberia	8/	8/	1,570	1,800	2,000
Nigeria <u>11/</u>	216,318	222,980	254,800	310,000	225,000
Sao Thome and Principe	22,496	19,755	17,000	18,000	17,000
Sierra Leone	8/	8/	4,860	5,400	5,600
Other Africa <u>12/</u>	8/ 8,154	8/ 9,018	2,000	2,000	2,000
Total Africa	1,054,298	986,787	1,169,760	1,309,650	1,067,100
Asia & Oceania:					
Ceylon	7,931	4,866	6,500	6,500	7,500
Indonesia	3,310	1,198	3,100	3,000	3,000
New Guinea	-	-	3,000	4,760	7,500
New Hebrides	3,916	2,452	1,500	2,000	2,000
Philippines	-	-	3,300	3,500	4,500
Western Samoa	2,326	5,200	5,800	7,000	9,000
Total Asia & Oceania ..	17,483	13,716	24,200	26,760	33,500
World total	1,580,720	1,515,756	1,829,020	2,034,910	1,800,300

1/ Production for most countries is on an October 1 to September 30 year. Brazil's production for 1957-58 is on an October 1 to September 30 year. Production for previous years is on a May 1 to April 30 year. 2/ Export data have been used for all countries with the exception of Mexico, Cuba and Colombia. 3/ Some cocoa beans produced in Costa Rica move across the border for marketing in Nicaragua. 4/ Includes Dominica, El Salvador, Guatemala, Guadeloupe, Martinique, Nicaragua, St. Lucia and St. Vincent. 5/ Not available. 6/ Includes French Equatorial Africa. 7/ Included in French Cameroons. 8/ Prior to 1955-56 French Togoland, Liberia and Sierra Leone are included in other Africa. 9/ Formerly Gold Coast and British Togoland. 10/ Mostly Ivory Coast. 11/ Includes British Cameroons. 12/ Includes Angola and Madagascar.

Asia

Asian cacao production for 1957-58 should increase considerably over 1956-57. Ceylon, Indonesia and the New Hebrides are expected to produce about the same quantity as in 1956-57. Sizable increases are expected for New Guinea, The Philippines, and Western Samoa.

The area in cacao in Papua and New Guinea increased from 34,500 acres in 1954-55 to 46,500 acres in 1955-56. The Minister of Territories on Cocoa Production in Papua and New Guinea now predicts a production of about 27 million pounds by 1963. This would about supply all of Australia's requirements. Whereas about 85 percent of cacao holdings are European, native acreage is expanding rapidly.

Philippine cocoa production has increased significantly since 1949-50, due primarily, it is said, to improved insect control. The 6,700 acres reported to be under cultivation in 1956-57 represent an increase of 68 percent over acreage 8 years earlier.

WORLD TRADE AND DEVELOPMENTS

It is characteristic of the cocoa bean trade that there is very small carryover from one year to the next in producing countries. Any carryovers are generally from production toward the end of the marketing year, and are often held in the hope that prices will increase the following year. Stocks in consuming countries, therefore, build up in good crop years and decrease in poor crop years.

Table 2 below shows a quarterly breakdown of cocoa bean imports for the five largest world importers beginning with calendar year 1954. Quarterly imports of beans into the United States and the United Kingdom follow a similar pattern. First-quarter imports have been the highest for these two countries, while third quarter imports have been the lowest. Imports into France, West Germany, and the Netherlands for this period have been much more evenly distributed. However, U. S. imports during this period were highest for the first quarter of 1956, while U. K. imports were highest in the first quarter of 1954 and 1955. Lowest quarterly imports for both countries were during the third quarter of 1957.

* * * *

Cocoa bean imports into the United States in 1957 were about 495 million pounds -- 64 million pounds below the 559-million-pound imports of 1956. This would mean that stocks of beans at the end of 1957 were about 119 million pounds higher than at the beginning of 1953, as approximately 140 million pounds had been built up from 1953 through 1956.

Table 2. -- Imports of Raw Cocoa for specified countries, 1954-1957 1/

Year	thousand pounds					
	Germany	United States	United Kingdom	France	Netherlands	
1954:						
Jan.-Mar.	45,635	173,745	128,865	27,027	36,638	
Apr.-June	37,189	98,538	78,488	32,878	31,201	
July-Sept.	44,941	89,138	26,070	24,281	22,212	
Oct.-Dec.	36,792	117,221	61,320	28,120	23,970	
1955:						
Jan.-Mar.	32,721	138,263	128,950	25,000	38,058	
Apr.-June	31,750	111,655	57,234	25,043	31,348	
July-Sept.	41,662	104,891	28,506	18,303	28,833	
Oct.-Dec.	54,678	116,466	68,205	27,686	31,857	
1956:						
Jan.-Mar.	46,745	182,264	70,672	28,766	38,463	
Apr.-June	50,113	157,266	37,487	30,464	41,124	
July-Sept.	50,967	104,641	20,537	22,613	32,931	
Oct.-Dec.	69,418	131,067	29,969	31,611	35,871	
1957:						
Jan.-Mar.	60,001	173,786	107,513	38,680	45,118	
Apr.-June	55,133	124,358	70,320	35,318	46,399	
July-Sept.	51,536	77,423	14,276	23,101	37,332	

1/ First three quarters for 1957.

United Kingdom imported 227 million pounds of cocoa beans during 1957, which was 43 percent above the relatively low 1956 imports of 159 million pounds. One-half of these imports were from Nigeria, while 41 percent were from Ghana. Forty-seven percent of U. K. imports in 1957 were during the first quarter.

Table 3 shows U. S. quarterly cocoa bean grind figures and average Accra-New York wholesale prices per pound. There appears to be an inverse relation between these two factors, with perhaps some lag in the grind. Significant decreases in grind are apparent during the relatively high prices of 1954. The grind increased, however, in the latter part of 1955 and in 1956 when prices decreased.

Table 3. -- Estimated Cocoa Bean Grind and Prices 1/ by quarters
in the United States 1953-57

Period	1953		1954		1955		1956		1957	
	Price	Grind								
	: mil.									
	: lbs.									
1st quarter:	32.1	:148.9	55.2	:126.3	45.2	:102.7	27.8	:125.6	22.9	:134.2
2nd quarter:	34.0	:122.0	63.5	:115.9	37.4	:95.4	26.1	:120.9	27.1	:127.9
3rd quarter:	39.1	:123.1	63.5	:101.1	34.0	:106.3	28.4	:113.0	32.4	:115.5
4th quarter:	43.9	:132.0	48.8	:90.7	32.9	:116.5	26.4	:140.5	40.3	:139.3
Year	37.1	:526.0	57.7	:434.0	37.4	:420.9	27.2	:500.0	30.7	:516.9

1/ Average Accra-New York wholesale price (cents per pound).

All cocoa bean exports from the Dominican Republic during the 1955-56 and 1956-57 marketing years went to the United States and Puerto Rico. Bean exports during 1956-57 were 52 million pounds, compared with 36 million pounds in 1955-56. There were 29 million pounds processed locally during 1955-56 and 26 million pounds processed during 1956-57. The quantity processed during 1957-58 will probably be about the same.

Mexico exported 12.4 million pounds of cocoa beans during the 1956-57 marketing year, but exports during the 1957-58 year are expected to drop to about 9 million pounds. Exports during the first quarter of 1958 are expected to be negligible. Year-end stocks for 1957-58 have been estimated at 11 million pounds, compared with 14.3 million pounds at the beginning of the crop year.

The cacao center of the Inter-American Institute of Agricultural Sciences at Turrialba, Costa Rica, is headquarters for two interesting cacao studies recently announced. In January 1958, the American Cocoa Research Institute engaged a plant pathologist to make a 3 month intensive study of cushion gall disease. This disease was recently spotted in Nicaragua, and could spread to other Central and South American producing areas. Another project has to do with the use of isotopes in cacao planting and fertilizer studies at Turrialba.

Brazil's cocoa bean exports from January through October 1957 amounted to 132.6 million pounds. Bean exports for the May-September 1957 period only amounted to 49.9 million pounds, while cocoa butter exports amounted to about 6.5 million pounds. Total Brazilian exports of cocoa cake for the first 6 months of 1957 were 12.7 million pounds, of which 9.9 million pounds were destined for the United States. Approximately one-half of Brazil's cocoa butter exports from January through October of 1957 were destined for the United Kingdom.

The Bank of Brazil stopped buying cocoa in November and has reportedly sold or industrialized all its stocks. According to officials of the Bahia Cocoa Trade Commission, about 60 million pounds of beans purchased by the Bank from May through October 1957 were made into products and the cost charged to its account. In January 1957, farmers were receiving from 20 to 33 percent more for their beans than the minimum support price set at the beginning of the 1957-58 crop (May-April).

Colombian imports of cocoa during 1957 amounted to about 23 million pounds. Ecuador remained the most important supplier. Cocoa consumption for 1958 has been preliminarily forecast at about 55 million pounds. Ecuador's cocoa consumption is probably slightly over 1 million pounds.

Domestic consumption of cacao in the Belgian Congo is estimated at about 440,000 pounds. The bulk of Belgian Congo production is exported to Belgium, while the Netherlands and West Germany usually take the remainder. The ad valorem export tax on cocoa beans from the Belgian Congo was reduced on January 1, 1957, from 10 percent to 6 percent, and effective March 1, 1957, from 6 to 1 percent.

Cocoa beans exported from the French Cameroons are primarily to the Netherlands and France. Cacao is the most important export crop of the French Cameroons, and in 1956 accounted for 37 percent of the total export value of all exports. There is an increasing proportion of cacao being used in the manufacture of cacao butter, practically all of which is exported. Cacao production is encouraged by the government through its "Secteurs de Modernisation" (technical assistance organization) which advises on better methods of cultivation to improve yields and on methods for fermentation, drying, and storage. Selected seed and graftings are distributed by government research stations, and producers receive a small payment from the government at the time of planting cacao.

As of October 1957 the Cameroons adopted grading standards to conform to "London Contract" specifications. Exports of lower qualities of cacao have been prohibited and control measures have been tightened. Low-grade cacao is purchased by the "Societe de Prevoyance" at a government-set price and delivered to the cacao butter plant. Cacao for export must grade better than 15 percent defective beans and 25 percent "slated" beans. The government encourages the organization of "producers and marketing cooperatives" in an effort to eliminate middlemen and increase the producer's share of the export price.

Ghana processed about 9.5 million pounds of cacao during the 1956-57 crop year. Whereas cross-border movements during 1956-57 were into Ghana, the movement has probably been reversed with the 1957-58 crop. United Kingdom imports of beans from Ghana during 1957 amounted to about 94 million pounds, and the United States imported about 98 million pounds from January through November. In January 1958 a

four-man Ghana trade and goodwill mission visited Ceylon. In the course of trade talks Ghana offered cacao and other products and showed interest in buying Ceylonese tea. Ghana has expressed concern over the proposed tariffs of the European Common Market Treaty which was effective January 1, 1958. The proposed tariff for the 6 European Common Market countries (Belgium, Luxembourg, Netherlands, France, West Germany, and Italy) would eventually amount to 9 percent for countries other than the signatory countries and the associated overseas territories. Only West Germany has had a duty on cocoa; the Benelux countries have an internal purchase tax, and France and Italy have had no tax whatever.

During the 1956-57 marketing year France and the United States were by far the largest buyers of Ivory Coast cacao beans. December, January, and February were the large export months for the Ivory Coast during 1956-57; almost 60 percent of total exports for the year moved in these 3 months. The United Kingdom has been a large buyer of Nigerian cocoa, importing about 115 million pounds of Nigerian beans in 1957. Cocoa exports from Sierra Leone during 1956-57 were about equally divided between the United Kingdom and the Netherlands.

Cocoa bean imports into the Philippine Republic during 1956 were about 59 percent larger than the previous year, but 52 percent less than in 1949. Imports of manufactured cocoa in 1956 amounted to about 250,000 pounds. The general objective of the Philippine agricultural program is self-sufficiency in food crops. The government is propagating improved varieties of cacao and selling these at cost to producers. Cocoa-processing plants are being given tax exemptions and financial aids in the form of loans. The International Cooperation Administration began work last December to set disease and quality ratings for Philippine cacao. Cocoa bean samples are to be processed into cocoa powder and chocolate, and their quality evaluated in comparison with cacao beans in world trade. Seedlings of cacao strains are to be tested for susceptibility to witches broom, monilia, and other diseases.

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